

**MINUTES  
MID-YEAR BUDGET REVIEW  
LANCASTER COUNTY BOARD OF COMMISSIONERS  
ROPER & SONS COMMUNITY CENTER  
THURSDAY, JANUARY 30, 2003  
9 A.M. TO NOON**

Commissioners Present: Bernie Heier, Chair  
Ray Stevens, Vice Chair  
Larry Hudkins  
Deb Schorr  
Bob Workman

Others Present: John Boehm, representing Lincoln Independent Business Association  
Kerry Eagan, Chief Administrative Officer  
Dave Kroeker, Budget and Fiscal Officer  
Trish Owen, Chief Deputy County Clerk  
Gwen Thorpe, Deputy Chief Administrative Officer

The Mid-Year Budget Review Meeting was called to order at 9:07 a.m.

**AGENDA ITEM**

- 1 MID-YEAR BUDGET REVIEW - Dave Kroeker, Budget and Fiscal Officer**
  - a. Mid-Year Status of Expenditure Budget**

Dave Kroeker, Budget and Fiscal Officer, disseminated documentation entitled *Mid-Year Budget Retreat, January 30, 2003* (Exhibit 1) and referred to the report of obligations versus budget located on Page 1-5, noting that 50.86 percent remains in the total General Fund Operating as compared to 51.09 percent at the same time last year.

Kroeker referred to Page 1-10 (Comparison of Payroll Obligations First Six Months of Fiscal Year 2003 Compared to Fiscal Year 2002) and explained that the County is currently spending 7.65 percent more than this time one year ago, with total operating costs being eight percent more than one year ago.

Kroeker gave a brief overview of the following documents contained in *Mid-Year Budget Retreat, January 30, 2003* (Exhibit 1):

- ▶ Payroll Costs Compared to Budget - Percent of Year Remaining - 49.43 percent (Page 1-5)
- ▶ Comparison of Obligations First Six Months of Fiscal Year 2003 Compared To Fiscal Year 2002 (Page 1-9)
- ▶ Comparison of Payroll Obligations First Six Months of Fiscal Year 2003 Compared to Fiscal Year 2002 (Page 1-10)
- ▶ Overtime by County Agency as of December 31, 2002 - Comparison to Budget (Page 1-11)
- ▶ Boarding Contracts (Page 1-13)
- ▶ General Assistance (GA) Client Services Budget (Page 1-14)

Kroeker referred to the *Proposed General Assistance Budget - Revised General Assistance Intake Authorization Process* (Page 1 of the Commissioners Agenda Packet) and *Staffing* (Page 2 of the Commissioners Agenda Packet) and stated total operating costs for the County administering the GA program would be approximately \$197,141.

Discussion followed regarding pharmacy reimbursement. Stevens indicated that the County currently budgets approximately \$170,000 for administering GA and that a proposal was discussed at a General Assistance meeting which would allow the County to administer the program for under \$200,000 a year. He stated it would add County employees and the overhead of the County administering it, however, they would have more control.

Kerry Eagan, Chief Administrative Officer, reported that Pat Lopez, Planning and Community Development Supervisor with the Lincoln-Lancaster County Health Department, suggested the County hire a part-time employee immediately to monitor the pharmacy and Medicaid pricing. He explained that the idea behind hiring a part-time person would be that the position would pay for itself because there is a possibility that reimbursements may be able to be increased to cover the cost of the salary.

Discussion followed regarding departmental placement of a part-time employee, with the Health Department, Veterans Service and Community Mental Health being suggested as possible locations for the employee.

Stevens suggested that Kerry Eagan, Pat Lopez and Gary Chalupa, Veterans Service Officer, and Dave Kroeker develop a more specific proposal regarding a part-time employee to monitor pharmacy and Medicaid pricing, including departmental location and the possibility of making the position full-time. It was also requested that they come back to the County Board with their proposal.

**MOTION:** Workman moved and Hudkins seconded to request Kerry Eagan, Dave Kroeker, Pat Lopez and Gary Chalupa to develop a proposal regarding a part-time or full-time employee to monitor pharmacy and Medicaid pricing and that the position be located under Veterans Services or the Health Department and to bring a report back to the County Board. Hudkins, Workman, Schorr and Heier voted aye. Stevens voted no. Motion carried.

**b. Mid-Year Status of Revenue Budget**

Kroeker reviewed the following documents contained in *Mid-Year Budget Retreat, January 30, 2003* (Exhibit 1), noting that the County is \$4,920,286 ahead of last year:

- ▶ Report of Revenues Estimated and Actual Percent of Year Remaining (Page 2-1)
- ▶ Comparison of Actual Revenues the First Six Months of Fiscal Year 2003 Compared to Fiscal Year 2002 (Page 2-2)
- ▶ Inheritance Tax Collections (Page 2-3)
- ▶ Register of Deeds Fees (Page 2-4)
- ▶ Year To Date Receipts and Disbursements for Fiscal Year 2003, Fiscal Year 2002 and Fiscal Year 2001 (Page 2-5 through Page 2-7)
- ▶ Interest Income Comparison (Page 2-8)

**c. Other Issues**

- ▶ **Fiscal Year 2003 Building Fund Budget** (Page 3-1) - Transfer of \$560,000 to Debt Service (Juvenile Detention Intake and principal payment). Projected expenditure of \$175,000 for Trabert Hall.
- ▶ **Keno Collections** (Page 3-2) **and Keno Fund** (Page 3-3) - \$300,000 allocated for Health Insurance Portability & Accountability Act (HIPAA).
- ▶ **Summary Analysis of Requested Budget Data Processing** (Page 3-6) - Decreased Micro Computer Fund from \$200,000 to \$100,000.

Other documents briefly reviewed contained in *Mid-Year Budget Retreat, January 30, 2003* (Exhibit 1):

- ▶ P.C. Requests for Fiscal Year 2003 (Page 3-7)
- ▶ Nine Year History of Micro Computer Purchases (Page 3-8)
- ▶ Ten Year Summary of Indigent Defense Costs (Page 3-9)
- ▶ Eight Year Detail of Indigent Defense Costs (Page 3-10)
- ▶ Six Year History of Year End Fund Balances (Page 3-11)
- ▶ Debt Service by Fiscal Year (Page 3-12)
- ▶ Leases with Nebraska Association of County Officials (NACO) (Page 3-13)

#### d. Five-Year Forecast

Kroeker reviewed the following contained in the Five-Year Forecast contained in documentation entitled *Mid-Year Budget Retreat, January 30, 2003* (Exhibit 1):

- ▶ Five-Year Forecast - Base Budget for Fiscal Year 2003 (Page 4-1)
- ▶ Five-Year Forecast - Project Reductions Needed (Page 4-2)
- ▶ Fiscal Year 2004 Projected Tax Increase (Page 4-3)
- ▶ Calculation of Restricted Funds for Legislative Bill 989 (Page 4-4)
- ▶ Group Insurance Increase for Fiscal Year 2004 (Page 4-5)
- ▶ Estimated Public Building Commission Debt Service Commitment by County (Page 4-6)
- ▶ Six-Year History of General Fund Budget (Page 4-7)
- ▶ Six-Year History of Tax Requirements (Page 4-8)
- ▶ History of Payroll Costs and Selected Benefits (Page 4-9)
- ▶ Change in Consumer Price Index CPI-U (Page 4-10)
- ▶ 20-Year History Property Tax Dollars (Page 4-11)
- ▶ County Employees per 10,000 Population - Total (Page 4-12)
- ▶ County Employees per 10,000 Population - Clerk, Treasurer and Assessor (Page 4-13)
- ▶ County Employees per 10,000 Population - Sheriff (Page 4-14)
- ▶ County Employees per 10,000 Population - Attorney (Page 4-15)
- ▶ County Employees per 10,000 Population - Public Defender (Page 4-16)
- ▶ County Employees per 10,000 Population - Juvenile Detention (Page 4-17)
- ▶ County Employees per 10,000 Population - Corrections (Page 4-18)
- ▶ County Employees per 10,000 Population - County Engineer (Page 4-19)

Heier indicated that he had received a letter (Exhibit 2) from Kit Boesch, Human Services Director, regarding legislation to amend the age of emancipation in the State of Nebraska from 19 to 18. He asked if anyone had any objections to Boesch testifying on behalf of the County Board.

No objections were voiced.

**MOTION:** Hudkins moved and Stevens seconded to add to the agenda the authorization of Kit Boesch, Human Services Director, to testify at the Legislature, on behalf of the Lancaster County Board, regarding changing the age of emancipation in the State of Nebraska from 19 to 18. Hudkins, Workman, Stevens, Schorr and Heier voted aye. Motion carried.

**MOTION:** Hudkins moved and Stevens seconded to authorize Kit Boesch, Human Services Director, to testify at the Legislature, on behalf of the Lancaster County Board, regarding a change to the State's age of majority and developing an emancipation statute. Hudkins, Workman, Stevens, Schorr and Heier voted aye. Motion carried.

Kroeker referred to Page 4-3 of the Five-Year Forecast and explained that the reasons for the projected tax increase for Fiscal Year 2004 were as follows:

- ▶ General Fund operating increase (\$2,744,670)
- ▶ Debt Service increase (\$834,927)
- ▶ Corrections alternatives (\$350,000)
- ▶ Interest income decline (\$450,000)
- ▶ State Corrections loss (\$700,000)
- ▶ State aid projected decline (\$81,967)
- ▶ Other increases (\$169,902)

Other topics briefly discussed in the Five-Year Forecast were:

- ▶ Restricted Funds (Page 4-4)
- ▶ Group Insurance (Page 4-5)
- ▶ Public Building Commission (Page 4-6)
- ▶ General Fund History of Budget (Pages 4-7 and 4-8)
- ▶ General Fund Budget Payroll Costs (Page 4-9)

**e. Letters from Agencies**

County Assessor/Register of Deeds

Approve \$10,370 for the Assessor's Office and \$20,000 for overtime, temporary salaries and temporary staffing.

County Treasurer

Approved request for salary increase not in the budget and requested the Treasurer to delay filling vacant drivers license position.

Budget and Fiscal

Approve \$2,000 in additional appropriations for salary increase.

### County Court

No additional appropriations.

### Geographic Information System (GIS) and Bridge and Special Road Fund

Approve \$10,311 in additional appropriations for GIS. Approve \$24,156 in additional appropriations for Bridge and Special Road Fund. These are due to salary increases.

### Clerk of the District Court

Approved additional appropriations:

- ▶ \$17,000 for five months for personnel
- ▶ \$7,500 for new computers (Micro computer budget)
- ▶ \$864.20 for new telephone equipment
- ▶ \$432 for Lotus Notes
- ▶ \$460 to attend "New Clerk's Workshop" in Ogallala, NE.

### Juvenile Court

No additional appropriations.

### Public Defender and Justice Miscellaneous

Approved \$15,000 in additional appropriations for salaries for the Public Defender's Office. Approved \$12,000 in additional appropriations for juvenile court contracts with private attorneys.

### Indigent Screener

Approved \$1,220 in additional appropriations for salaries, \$1,217 for printing, \$698 for advertising and \$65 for other miscellaneous items.

### Records Management

No additional appropriations.

### Sheriff

Approved \$169,155 in additional appropriations for salary increases and \$30,000 to be transferred from Keno for vehicles.

### County Attorney

Approved additional appropriations:

- ▶ \$20,000 for salaries
- ▶ \$50,000 for medical consulting

### Corrections

Approved additional appropriations:

- ▶ \$130,000 for salaries
- ▶ \$14,000 (water heater)
- ▶ \$44,000 (pharmacy)

### Juvenile Detention

Approved \$30,000 in additional appropriations for salaries.

### General Assistance

Approved \$185,000 in additional appropriations for pharmacy services.

### Veterans Service

Approved \$7,110 in additional appropriations for salaries and \$600 for additional rent at Trabert.

### Human Services

Approved \$10,500 in additional appropriations.

Safety and Training

Approved \$1,050 in additional appropriations for salaries.

Lancaster Manor

Approved \$750,000 in additional appropriations for salaries.

Noxious Weeds

Approved addition of \$2,867 of appropriations for salaries.

Property Management

Approved \$9,000 in additional appropriations for salaries.

Community Mental Health

Approved additional appropriations:

- ▶ \$21,000 for salaries
- ▶ \$23,000 for mileage, pharmacy, insurance and rent

District Court (Exhibit 5)

No adjustments required.

**MOTION:** Hudkins moved and Workman seconded to proceed with all submitted requests with the exception that one position be filled in the County Assessor/Register of Deeds Office and to allow the \$10,370 in additional appropriations for salaries for deputies and to hold the request for an additional employee in the County Treasurer's Office for one year. Hudkins, Workman, Stevens and Heier voted aye. Stevens voted no. Motion carried.

**f. Department Budget Hearing Schedule for Fiscal Year 2003-2004**

Board consensus to proceed with the tentative departmental budget hearing schedule for Fiscal Year 2003-2004.

Trish Owen, Chief Deputy County Clerk, distributed a memorandum regarding the 2003 Board of Equalization protest hearing schedule (Exhibit 6), noting that July 21<sup>st</sup> through July 25<sup>th</sup> is scheduled for hearings before the Board of Equalization. She said it has been estimated that there will be approximately 5,000 protest filed with about ten percent of those going beyond the referee process to the Board of Equalization. Based on that estimation the Board would have to hear approximately 100 cases, or possibly more, per seven hour day.

**2 RURAL COST OF SERVICES STUDY - Michael Siegel, Public and Environmental Finance Association, Mike DeKalb, Planning Department**

Mike DeKalb, Planning Department, appeared and introduced Michael Siegel with Public and Environmental Finance Association to the County Board.

Siegel gave a brief summary of the *Rural Cost of Services Study* which will look at the cost of providing services and the revenues generated by development outside of the City of Lincoln, with the focus on acreages.

In response to a question asked by Schorr regarding a time line, Siegel stated he was scheduled for three site visits and that a draft should be available by the end of April.

Workman inquired about other communities where Siegel has conducted studies

Siegel stated he has completed studies for Shelby County, Tennessee, the Minnesota Department of Agriculture and Louden County, Virginia.

**3 OTHER**

**a. Assessment Center - Kit Boesch, Human Services Director**

Kit Boesch, Human Services Director, appeared and discussed Legislative Bill 46 (Community Corrections ) which would fund adult graduated sanctions and Legislative Bill 338 which will place an alcohol related tax on alcohol licenses and the sale of alcohol. She explained that the money would be targeted for juvenile and adult drug courts.

Boesch disseminated and gave a brief overview of a memo regarding the Assessment Center (Exhibit 4), noting eight recommendations relating to what functions the County is responsible to pay for and other funding streams which can be secured. She recommended that they proceed with a preliminary budget and made the Board aware that it would be using County money, however, there may be other funding which may be available.

**b.** Gary Lacey, County Attorney, stated he met with Governor Johanns to speak with him about drug courts and alternatives to incarceration to relieve the prison system. He stated Governor Johanns had indicated at that time that he was not opposed to the alcohol tax and he would not try to use the tax for State General Funds. He stated he feels the County should lobby on the issue and that the lobbyist should be instructed to gather the appropriate people together to testify before the Legislature.

The meeting was recessed at 1:14 p.m.

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Bruce Medcalf  
County Clerk